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ABSTRACT

A random sample of 200 charter schools that had been in operation for at least 3 years was chosen from the National Charter School Directory. Charter schools were sent a survey of personnel policies. When 132 charter schools responded, the information was compared to a random sampling of traditional schools. In the seven states covered by the study, the charter schools were exempted from many state regulations and were freed from collective-bargaining agreements unless the charter school faculty chose to unionize. There was evidence of major differences between charter schools and traditional schools in the areas of recruitment and staffing, pay flexibility, incentive pay, and staffing flexibility. Charter schools employed more teachers and aides relative to their numbers of students. In states where it was permitted, charter schools recruited significant numbers of uncertified teachers. Few charter schools granted tenure. Most teachers worked under 1-year contracts or were employees-at-will. Very few were covered by collective-bargaining agreements. The average length of the teacher workday and year was longer. Dismissals of teachers for unsatisfactory performance were commonplace. Many charter schools raised the salaries of teachers in hard-to-staff subjects, such as math or science. Many did not award increases based on seniority, accumulation of degrees, or college credits. Nearly one-half reported using merit or performance-based pay. (Contains 14 references, 5 tables, and 27 figures.) (RKJ)

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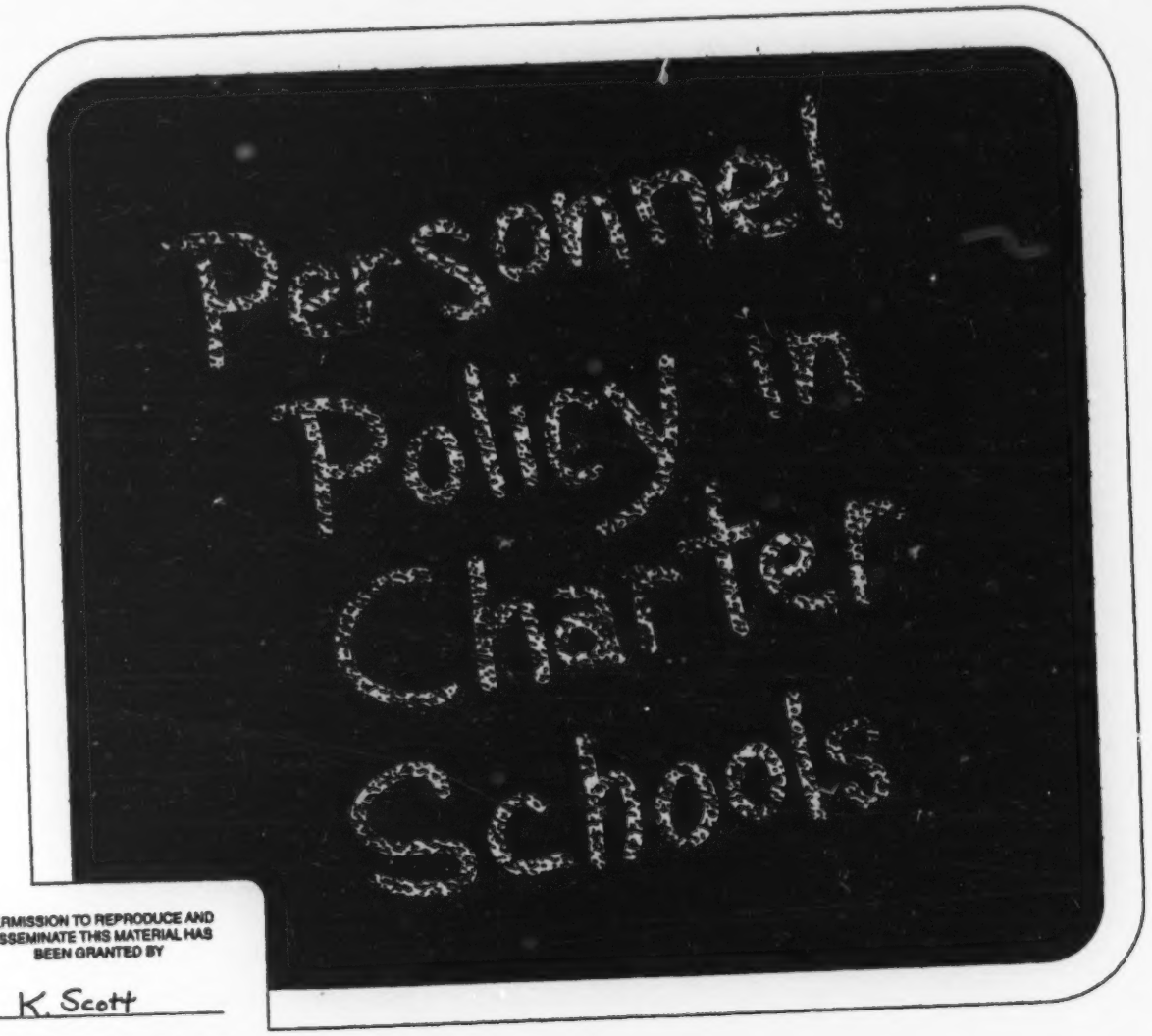

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Personnel Policy in Charter Schools

by

Michael Podgursky and Dale Ballou

THOMAS B. FORDHAM FOUNDATION
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Table of Contents

Tables and Figures iii

Foreword v

Executive Summary vii

Introduction 1

Survey Methodology 2

Comparison Samples 3

Background Characteristics of Charter Schools in Our Survey 5

Staffing Patterns 7

Open-Ended Responses on Certification and Recruitment 10

Contracts, Job Rights, Work Load, and Evaluation 13

Pay and Incentives 16

Open-Ended Responses Concerning Compensation 19

Chartering Authorities and Personnel Policy 21

Conclusion 24

Appendix 26

References 34

Notes 35

Tables and Figures

Tables

Table 1 Distribution of Survey Responses by State 3
Table 2 Source of Comparison Data 4
Table 3 Chartering Authority, Job Rights, and Evaluation 21
Table 4 Chartering Authority and Compensation Policies 22
Table 5 Chartering Authority, Staffing, and Working Hours 23

Figures

Figure 1 Who Granted the Charter? 5
Figure 2 Who Employs Charter School Teachers? 5
Figure 3 Grade Level of Sampled Charter Schools 5
Figure 4 Origin of the Charter Schools 5
Figure 5 School Size 6
Figure 6 Full-Time Teachers 7
Figure 7 Student/Teacher Ratios 7
Figure 8 Ratio of Part-Time to Full-Time Teachers 7
Figure 9 Ratio of Full-Time Aides to Full-Time Teachers 8
Figure 10 Distribution of Teaching Experience 8
Figure 11 Proportion of New Teachers (Experience < 3 Years) 8
Figure 12 Annual Teacher Turnover Rates 9
Figure 13 Percentage of Teachers Without Regular State Licenses 9
Figure 14 Duration of Teacher Contracts 13
Figure 15 Tenure and Other Benefits in Charter Schools 13
Figure 16 Length of Work Day 14
Figure 17 Length of Work Year 14
Figure 18 Methods of Evaluating Teachers 15
Figure 19 Annual Dismissal Rates in Charter Schools 15
Figure 20 Schools or Districts Using Salary Schedules 16
Figure 21 Factors Affecting Initial Salary Offer by Charter Schools 16
Figure 22 Factors Determining Salary Growth 17
Figure 23 How Merit Pay Is Awarded in Schools Using Merit Pay 17
Figure 24 Merit-Pay Recipients as a Percentage of the Workforce in Charter Schools That Use Merit Pay 18
Figure 25 Merit-Pay Awards as a Percentage of Average Pay 18
Figure 26 Types of Bonus Pay in Hard-to-Staff Fields in Charter Schools 18
Figure 27 Additions to Base Pay in Hard-to-Staff Fields in Charter Schools 18

Foreword

There is near unanimity that the United States faces a serious problem with the quality of its elementary- and secondary-school teaching force. Yet there is great disagreement about the steps we should take to guarantee that all U.S. classrooms will be filled with excellent teachers. Policy makers today are bombarded with advice from education groups peddling solutions to the problem of teacher quality. Most of these groups promote a regulatory strategy that seeks to restrict entry into the classroom and relies heavily on longer periods of pre-service and in-service training in ever-more-uniform colleges of education as a source of quality control. For the past two years, we at the Thomas B. Fordham Foundation have been urging policy makers to experiment with a very different approach to teacher quality. A common sense approach, we have argued, is a deregulatory strategy that opens entry into the teaching profession and, for quality control, depends primarily on evidence of student learning as a measure of teacher effectiveness.

Which is the more effective strategy for boosting teacher quality, regulation or deregulation? Unfortunately, there is not enough solid research on teacher preparation and hiring to provide us with a definitive answer, but Michael Podgursky and Dale Ballou have developed a creative way to approach the question of which is the more promising strategy. They figured that schools that possess wide latitude in their hiring practices and that feel heavy pressure to produce results would face strong incentives to adopt effective ways of recruiting and retaining high-quality teachers. The personnel practices of such schools, in turn, would serve as a good model for future policymaking. So Podgursky and Ballou surveyed the personnel practices of the educators running charter schools.

Charter schools provide an excellent opportunity to investigate nontraditional public-school personnel policies. Most charter schools are substantially free from many of the rules and constraints that govern hiring, firing, and pay in conventional public schools. Those running charter schools are generally free to pursue the "regulatory" approach to teacher quality by hiring only certified teachers and paying them according to uniform salary schedules, or to elect the "deregulatory" approach by hiring teachers without formal education training and rewarding them based on how much their students learn.

Podgursky and Ballou find that, freed from procedural red tape but held accountable for results, charter schools pursue innovative personnel policies that are more in line with the deregulatory approach than the regulatory one. They typically hire talented individuals who have deep knowledge of their subjects but lack certification. They also dismiss teachers whose performance does not measure up, use differential pay to attract teachers in hard-to-staff-subjects, and reward outstanding teachers with performance bonuses.

This report offers nourishing and spicy food for those interested in teacher quality as well as those interested in charter schools. For the teacher-quality crowd, the authors of this study suggest that the deregulatory approach is not a crazy idea, but an attractive option for schools if only they possess the freedom to deploy it. For charter watchers, the report shows that charter schools are indeed innovating in the realm of personnel policy.

We are very pleased to be publishing this report by Michael Podgursky, an economist at the University of Missouri–Columbia, and Dale Ballou, an economist at the University of Massachusetts at Amherst. This is their second report for the Thomas B. Fordham Foundation; their first, "Teacher Training and Licensure: A Layman's Guide," was published in our *Better Teachers, Better Schools* volume in January 1999. That piece helped to lay the conceptual groundwork for the deregulatory approach to teacher quality that we've come to favor. We know of nobody in the field who does better work.

The Thomas B. Fordham Foundation is a private foundation that supports research, publications, and action projects in elementary/secondary education reform at the national level and in the Dayton area. Further information can be obtained from our web site (http://www.edexcellence.net) or by writing us at 1627 K St., NW, Suite 600, Washington, D.C. 20006. (We can also be e-mailed through our web site.) This report is available in full on the Foundation's web site, and hard copies can be obtained by calling 1-888-TBF-7474 (single copies are free). The Foundation is neither connected with nor sponsored by Fordham University.

Chester E. Finn, Jr., President
Thomas B. Fordham Foundation
Washington, D.C.
August 2001

Executive Summary

This study reports results from a detailed survey of teacher personnel policies in charter schools in seven states. The major findings of the study are:

- Charter schools are much smaller than traditional public schools at the same grade level and employ a smaller teaching workforce.
- The ratio of students to full-time teachers is lower in charter schools than in traditional public schools. The difference is even more pronounced when other instructional staff (part-time teachers and aides) are counted.
- Many more charter school teachers are in the early years of their teaching careers.
- Turnover rates are considerably higher in charter schools than in traditional public schools and resemble those in private schools.
- In states where it is permitted, charter schools recruit significant numbers of uncertified teachers. Many charter school administrators identify the ability to recruit uncertified teachers as an important source of recruitment flexibility.
- Very few charter school teachers have tenure. Most work under one-year contracts or are at-will employees.
- Very few charter schools are covered by collective bargaining agreements.
- The average length of the teacher work day and work year is greater in charter schools than in traditional public schools.
- Dismissals of teachers for poor performance are commonplace in charter schools.
- Thirty-one percent of charter schools provide bonuses for new teachers in hard-to-staff subjects such as math and science.
- Nearly one-half (46 percent) of charter schools report using merit or performance-based pay. In those that do, the merit payment typically amounts to 5 to 10 percent of base pay.
- Charter schools that are chartered by outside agencies such as state boards or institutions of higher education tend to pursue more innovative personnel policies than schools chartered by local school districts.

Introduction

Since the publication of *A Nation at Risk* in 1983, improving teacher quality has been a high priority of school administrators and elected officials responsible for the performance of American schools. Many states have increased teacher salaries and tightened the requirements for certification. Virtually all have adopted teacher examinations in basic skills and more than half now test teachers for subject matter knowledge. This effort shows no sign of abating. For example, proposals to reform teacher training and licensure have recently been advanced by the National Commission on Teaching and America's Future in two widely publicized reports: *What Matters Most: Teaching for America's Future* and *Doing What Matters Most: Investing in Quality Teaching*.

> It is important to understand the link between accountability for educational outcomes and autonomy in personnel matters.

Such proposals illustrate what may be called a "top down" approach to education reform. Arguments for top-down reform rest on the premise (not always explicit) that decision-making by local education authorities is flawed and that agencies at the state or national level must intervene to assure satisfactory behavior. Thus, districts must be constrained to hire only those applicants who have satisfactory test scores and records of pre-service training. Salaries must be raised where necessary to attract applicants who meet these standards.

Top-down reform stands in sharp contrast to policies that would increase the autonomy of decision-makers at the local level. Along with greater autonomy would come enhanced accountability for results. An example of reform along these lines is the charter school movement. Reforms of this variety typically reflect the belief that public schools would improve if they more closely resembled private schools in certain key respects.

In several respects, private school policies diverge from the recommendations advanced by advocates of top-down reform. For instance, top-down reformers often recommend a general increase in teacher salaries. Yet teaching jobs in private schools currently pay significantly less than equivalent positions in public schools. Private school instructors earn, on average, about 60 percent as much as instructors with comparable experience and education in public school systems. Likewise, top-down reformers often envision an expanded role for state agencies and professional organizations in the regulation of teacher training and licensure, but private schools are generally free to hire anyone they deem fit to teach, including instructors without prior training in pedagogical methods and who lack state certification. In addition, because private school faculties are rarely represented by unions in collective bargaining, and because their employees are not covered by the same laws as public sector workers, school administrators have considerably more discretion in structuring policies that affect incentives and employee evaluation.

These differences notwithstanding, relatively little attention has been paid to personnel policy in charter schools by researchers or by policy makers. Advocates of increased school choice and other mechanisms to enhance local accountability for educational outcomes have not viewed more flexible personnel policies as an integral component of decentralized reform. Thus, proponents of charter schools have sometimes bargained

away flexibility in hiring decisions in order to secure concessions on other issues. Teacher unions continue to press for changes in charter school legislation that would subject all charter schools to the terms of local collective bargaining agreements. As the increased availability of school choice blurs the traditional distinction between public and private schools, there may be added pressure to compel private schools to abide by state regulations with respect to teacher licensing. For all of these reasons, it is important to understand the link between accountability for educational outcomes and autonomy in personnel matters.

While the literature on charter schools is large and growing, the research literature on personnel policies in charter schools remains very slender.[1] A 1998 survey of 78 Arizona charter schools by the Center for Market-Based Education at the Goldwater Institute found that thirty percent of respondents used a salary structure, which tied pay to performance.[2]

> Survey research suggests that charter schools are experimenting with alternative personnel policies.

A study of charter schools funded by the Department of Education's Office of Educational Research and Improvement (OERI) has produced a series of reports that cover some personnel practices: the level of pay, the use of noncertified teachers, and collective bargaining.[3] Caroline Hoxby of Harvard University has surveyed charter school teachers following the model of the Schools and Staffing Surveys of the U.S. Department of Education.[4] She found that charter schools are more likely to hire teachers with stronger preparation in their subjects (particularly in math and science). They are less likely to employ education majors and certified teachers.

In short, the survey research to date, along with anecdotal information, suggests that charter schools are using the opportunities created by charter laws to experiment with alternative personnel policies and that they seem to be moving away from the traditional public school model. However, the data are very limited and there is much more to be learned about innovations in this sector.

Survey Methodology

Once they begin operating, charter schools often modify their initial personnel policies through a practice of trial and error. More reliable information will therefore be obtained from a survey that focuses on schools that have been operating long enough to have settled on policies affecting compensation, recruitment, and retention of teachers. In addition, because the regulatory framework for charter schools varies, it is important that the sample be drawn from several states. For example, some states allow only local school districts to sponsor charter schools, while others allow state boards or public universities to act as sponsors.

Our sample included charter schools that had been operating for at least three years in the following seven states: Arizona, California, Colorado, Florida, Massachusetts, Michigan, and Texas. These seven states accounted for 82 percent of the charter schools in operation during the 1997–98 school year. These states also have the most permissive laws with respect to personnel policy. For example, all seven states allow charter schools to opt out of school districts' collective bargaining agreements. During the survey year, six of the seven allowed charter schools to hire noncertified teachers.

We selected a random sample of 200 mature charter schools in these states based on information published in the 2000 edition of the Center for Education Reform's

National Charter School Directory.[3] A first mailing of the survey was sent out in August 2000. Respondents were given Amazon.com gift certificates for completing the survey. We followed up with two more mailings and contacted nonrespondents by telephone and email to encourage them to respond. We received a total of 132 completed surveys, for a response rate of 66 percent. The distribution of responses by state is reported in Table 1.

Table 1: Distribution of Survey Responses by State

State	Sample
Arizona	28
California	18
Colorado	27
Florida	13
Massachusetts	13
Michigan	21
Texas	12
Total	132

Due to the nature of the sample, we do not claim that our findings generalize to the universe of charter schools. Aside from the possibility of response bias, the seven selected states are among those with relatively strong charter laws. In many other jurisdictions, charter schools do not enjoy the same freedom from state regulation or from the restrictive personnel policies adopted by local school districts (often as a result of collective bargaining). Our goal, then, is not to summarize all that charter schools are doing in the area of personnel practices. Rather, we are investigating the responses of charter schools in states where they have been granted considerable latitude to adopt innovative policies.

The complete survey is reproduced in the Appendix. In addition to the categorical response items, we asked two open-ended questions that allowed administrators to identify the ways in which they felt that their recruitment and compensation policies differ from those of traditional public schools. Samples of the open-ended responses are included in the relevant sections of this report.

Comparison Samples

To compare charter schools with traditional public schools and with private schools, we have drawn samples of the latter from the Schools and Staffing Surveys (SASS) of 1990–91 and 1993–94. Because our survey of charter schools obtained information that is not available from the SASS, it is not possible to compare these three categories of schools on all the aspects of personnel policy examined in this study. However, data from SASS do permit comparisons on many dimensions.

The comparison samples are weighted to reflect the composition of the charter sample with respect to school level (elementary, secondary, combined) and state in which the school is located. Thus, all comparison public and private schools are drawn from the seven states included in the charter school survey. Within each state, elementary schools are generally given more weight, and secondary schools less, reflecting the preponderance of charter schools at the elementary level (see Figure 3). In most cases, the statistics obtained from the weighted samples differed only trivially from statistics based on nationally representative samples of traditional public and private schools. None of the larger qualitative differences between charter schools and traditional public schools that we emphasize in our discussion would be changed if we had not weighted the data. Table 2 specifies the data sources for various comparison items.

In addition to the comparative data from the 1993–94 Schools and Staffing Survey, we also sent a modified version of our survey to a random sample of 75 independent private schools in these same states. In selecting these schools, we relied on the list of National Association of Independent Schools (NAIS) affiliated schools provided on the

NAIS web site. Since NAIS membership is restricted to nonprofit schools, we also included schools listed on the website of the national proprietary school organization, National Independent Private School Association (NIPSA). A total of 32 schools responded, implying a 43 percent response rate. Because this sample is quite small, we make very limited use of these data—notably when discussing certain aspects of compensation policies for which no information could be obtained from the Schools and Staffing Surveys. For all other purposes, the private school comparison group is drawn from the SASS.

Table 2: Source of Comparison Data

1990–91 Schools and Staffing Survey (5,664 Public Schools, 871 Private Schools)	1993–94 Schools and Staffing Survey (5,761 Public Schools, 767 Private Schools)
merit pay	collective bargaining
teacher experience	teacher certification
teacher turnover	incentives in hard to recruit fields
	length of the school day and year
	full-time and part-time teachers
	teacher aides
	use of salary schedules

Background Characteristics of Charter Schools in Our Survey

Surveyed schools obtained their charters from a variety of sources (see Figure 1). Almost equal numbers obtained their charters from a state agency (38 percent) as from a local school district (40 percent). Colleges and universities granted 12 percent of the charters. The remaining 10 percent of schools surveyed obtained their charters elsewhere (for example, a county board or a more distant school district).

The employer of record for most charter teachers is the school itself (see Figure 2). Teachers in about one-fifth of the charter schools are employees of a management firm or organization that runs the school. In a small number of schools (less than 10 percent), teachers remain employees of a local school district.

More than half of the charter schools are elementary schools (no grade higher than 8th). One-quarter are secondary schools

Figure 1: Who Granted the Charter?

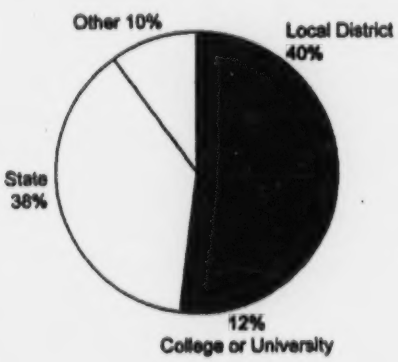


Figure 2: Who Employs Charter School Teachers?

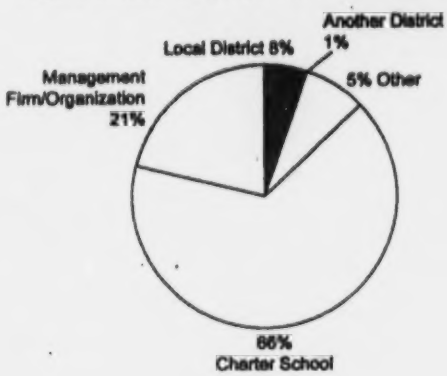


Figure 3: Grade Level of Sampled Charter Schools

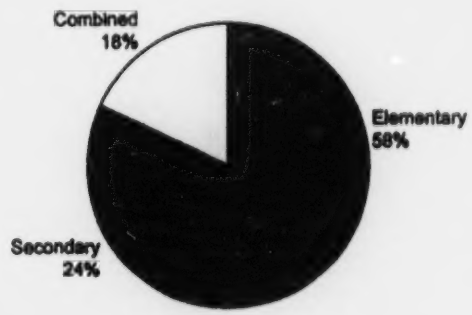
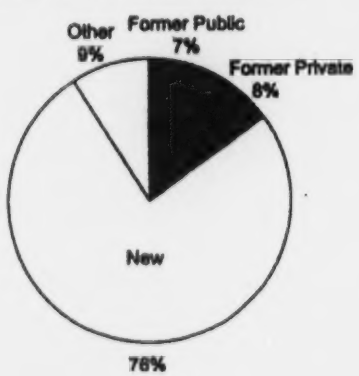


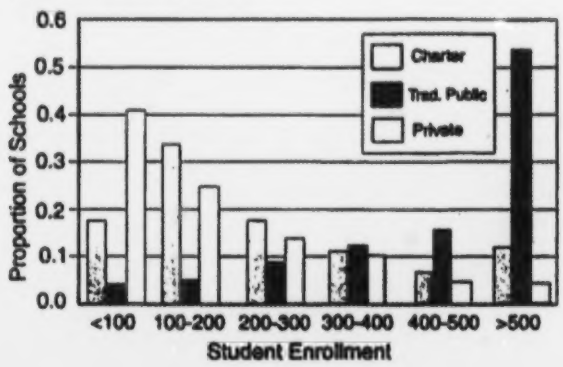
Figure 4: Origin of the Charter Schools



(no grade lower than 7th, reaching at least 9th grade). The remaining 18 percent offer some combination of elementary and secondary grades.

Three-quarters of the surveyed schools initially came into being as charter schools (see Figure 4). The remainder were converted from public, private, or other entities in almost equal proportions.[6] As shown in Figure 5, a majority of the charter schools in the survey had enrollments of 200 students or less in 1999–2000. Figure 5 also shows the distribution of enrollment among traditional public and private schools in our weighted comparison samples. Although surveyed charter schools occupy a middle ground, they are more like private schools than other public schools. Only about 10 percent of these charter schools had more than 500 students, whereas a majority of traditional public schools are at least this large.

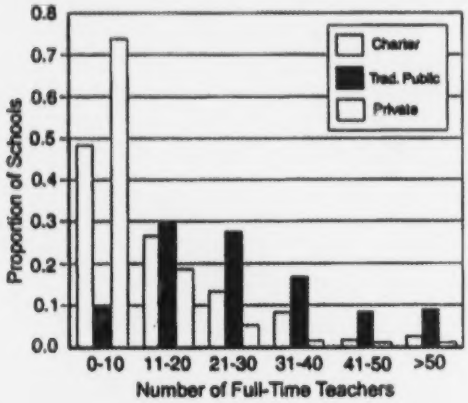
Figure 5: School Size



Staffing Patterns

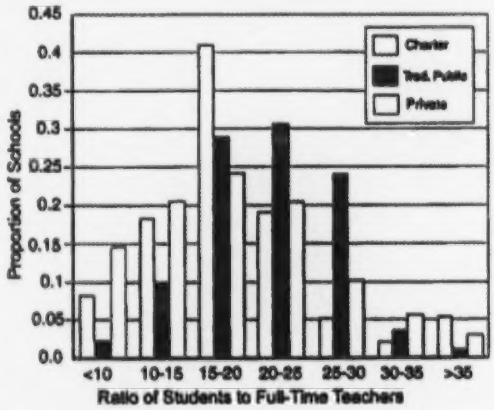
Staffing of the charter schools we surveyed more nearly resembled that of private schools than other public schools. As shown in Figure 6, nearly half of the responding charter schools employed ten or fewer full-time teachers. More than 70 percent of the private school comparison sample were this small. By contrast, only 10 percent of traditional public schools were of this size. At the other end of the scale, very few charter or private schools employed as many as 40 or 50 teachers.

Figure 6: Full-Time Teachers



One might wonder if charter schools have reduced their employment of full-time teachers by increasing class sizes. This was not the case in our sample. On the contrary, the ratio of students to full-time teachers was significantly smaller in charter schools than in traditional public schools (see Figure 7). About a quarter of surveyed charter schools (and an even larger share of private schools) had student/teacher ratios below 15. This was twice the frequency among traditional public schools. There were many fewer charter schools with student/teacher ratios above 20 (though there was a small upward blip at the very top of the scale).

Figure 7: Student/Teacher Ratios



In addition, surveyed charter schools employed more part-time teachers and aides relative to their size (see Figures 8 and 9). Two-thirds of traditional public schools employed less than one part-time instructor for every ten full-time teachers. This was also the modal category for charter schools (44 percent), but there were many more charter schools at the high end. More than one-quarter of charter schools employed four part-time teachers for every ten full-time teachers. A similar pattern held for the ratio of full-time aides to full-time teachers

Figure 8: Ratio of Part-Time to Full-Time Teachers

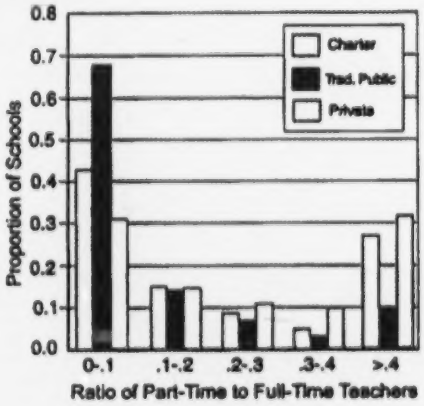
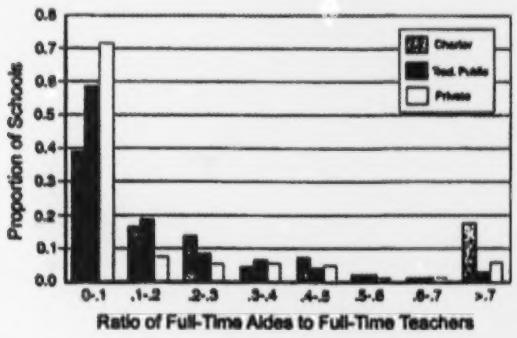
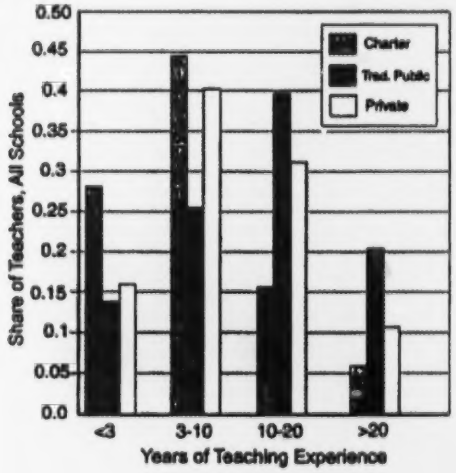


Figure 9: Ratio of Full-Time Aides to Full-Time Teachers



There are also differences in teacher experience. Teachers in charter schools are much more likely to be new to the profession (see Figure 10). About a third of charter school teachers have fewer than three years experience, which is twice the ratio in traditional public schools. There are also fewer teachers with more than ten years experience.

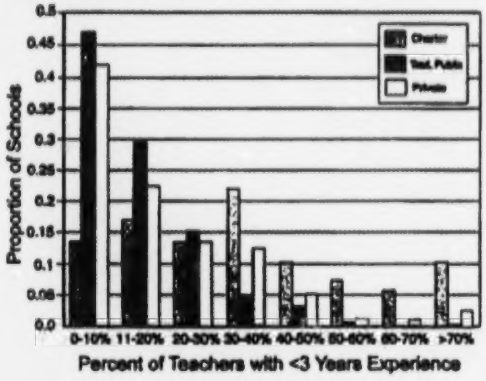
Figure 10: Distribution of Teaching Experience



Some charter schools rely heavily on inexperienced teachers. In a quarter of the charter schools surveyed, a majority of teachers had fewer than three years of experience (see Figure 11).

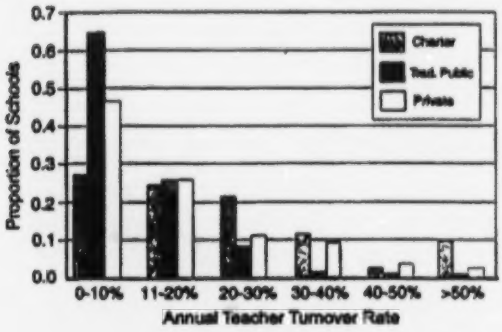
Because the salaries of new teachers are substantially lower than those of experienced instructors, charter schools clearly enjoy some economies from employing so many of the former. This may help to offset some financial disadvantages vis-à-vis traditional public schools (per-pupil revenue is generally less among charter schools). It may also explain, in part, how charter schools manage to reduce class size despite spending less per student. In effect, both charter and private schools "trade off" experience for smaller average class size, with charters doing even more of this than private schools.

Figure 11: Proportion of New Teachers (Experience < 3 yrs)



Charter schools have higher rates of turnover among teachers (see Figure 12), a circumstance that contributes to the comparative inexperience of their faculty. Most traditional public schools experience comparatively low turnover. About two-thirds had fewer than 10 percent of their teachers leave between 1990 and 1991 (the year in which data on our comparison sample were collected). Among charter schools, on the other hand, only about one-quarter had similarly low turnover. More than a quarter of charter schools lost 30 percent or more of their teachers between 1999 and 2000.

Figure 12: Annual Teacher Turnover Rates



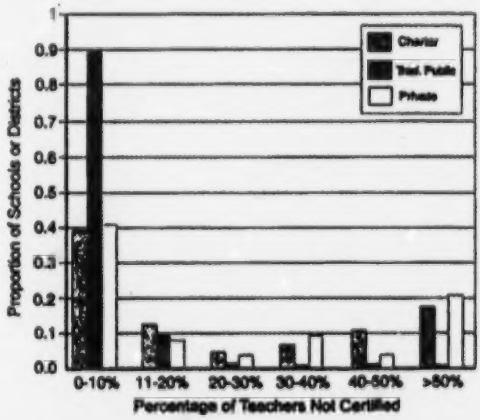
Several factors contribute to high turnover in charter schools. In part, it is the natural result of the employment of many new teachers (attrition is highest in the early years of the career). No doubt it also reflects burnout among faculty who are asked to assume a larger role in school management than in traditional public or private schools. One would also expect more departures of staff in new schools still seeking to define their mission, as teachers reassess how well the evolving mission fits their own interests and skills.

While turnover is clearly higher in charter schools, two other factors skew the comparison. First was the state of the economy when these data were gathered. During the recession of 1990–91 (when the public school comparison sample was obtained), it is likely that fewer teachers quit their jobs than would be true in a strong economy like that of 1999–2000. Second, the turnover figures count all teachers who departed for whatever reason, including dismissals as well as resignations or other voluntary departures. As we will see below, charter schools have been fairly aggressive in ridding themselves of teachers they deem ineffective.[7]

Teachers in traditional public schools must hold state certificates or licenses. This is not necessarily true of teachers in charter schools. In four of the seven states surveyed for this report (Arizona, Massachusetts, Florida, and Texas), legislation exempts charter schools from this requirement. In Colorado, charter schools can request – and most secure – a waiver from the requirement. During the survey year, California's charter schools were not required to hire certified teachers, although this is now required. Only in Michigan was there a certification requirement during the survey year.

As a result, surveyed charter schools were much more likely than traditional public schools to employ teachers who lack regular state certification – either those holding no license or those employed on an emergency license. In this respect, charter schools more nearly resemble private schools (see Figure 13). Noncertified teachers accounted for a majority of the full-time teaching staff in a quarter of the charter schools. In only 40 percent of charter schools (and an equal share of private schools) did noncertified teachers make up less than 10 percent of the full-time faculty. By contrast, nearly 90 percent of traditional public school systems in the comparison sample fell into this category. Exceedingly few districts relied on noncertified teachers for as much as 20 percent of their full-time faculty, whereas half the charter schools did.[8]

Figure 13: Percentage of Teachers Without Regular State Licenses



Like many private schools, charter schools sometimes employ noncertified

teachers on a provisional basis, requiring them to earn a certificate in order to remain at the school. However, this practice is far from universal. Indeed, the charter schools surveyed split 50-50 on whether they required this of noncertified instructors.

Open-Ended Responses on Certification and Recruitment

In addition to the structured survey items reported above, we also asked charter school administrators to compare their recruitment policies with those of traditional public schools:

What are the most important ways that teacher recruitment and hiring in your school differ from conventional public schools in your area?

Some administrators stated that their recruitment methods were similar to those of traditional public schools, but most highlighted some perceived differences. In the states where it was permitted, by far the most common difference noted was their ability to hire noncertified teachers:

"We can and have hired noncertified teachers."

"Certification is not the gate-keeper."

"Certification is not required except for special education and ESL."

"We recruit teachers that don't have certification but have experience in the education field."

"We do not require teacher certification. In fact, we have not found many teachers who have years of experience in a traditional setting who can be successful, energetic, and inspired in our innovative classrooms."

"I am not concerned with certification or degrees in education, but with hiring the most qualified teacher to work within a specific field. I would much rather hire someone with a master's in literature than an M.A. in education."

"We recruit to the discipline—master's degrees and above instead of worrying about state certification. Advanced degrees coupled with teaching experience auger better results."

"We do not require state certification and therefore have access to a larger pool. And our criteria go beyond certification requirements to more subjective areas such as community involvement, multiple talents, understanding charter school dynamics, etc."

Several schools noted that their reputation or teaching philosophy helped them recruit like-minded teachers.

"Our school has been fortunate to attract teachers who are interested in our school's philosophy and, thus far, [we] have not had to recruit."

"Most of our new hires come from personal recommendations or the positive reputation of our school."

"We do little or no advertising. Teachers whose personal philosophy corresponds with ours seek us out."

"The local district is experiencing declining enrollment. Our school is growing. We added one position last year and plan to add more in the future as our enrollment continues to grow. Last year, we had more than 100 applicants for three positions. We advertised strictly in the local newspaper."

A number of schools explicitly noted that they avoid job fairs, a common recruitment vehicle used by public school districts. Given their small size, many schools relied on word of mouth, local advertising, and the internet.

"When there is an anticipated vacancy, I often have a teacher recommend another colleague whom she used to work with. Many people send their resumé as an attachment

via our website email address. My parents and students recommend good teachers from their previous school."

"Our school does not attend teacher fairs. We advertise on the Internet and generate many applicants based on word of mouth from other Core Knowledge charter schools."

"Word-of-mouth is our number one tool. We provide an excellent work environment."

"Because we are a small school, word-of-mouth plays a large part in recruitment."

"We do not participate in job fairs, nor do we recruit on college campuses. Most of our applicants find us on the web through ads placed in local papers that name websites."

"We advertise nationally. In the past three years our new hires came directly from school districts in Seattle, Portland, Alaska, Los Angeles, and Palo Alto and Willits, California. Only one of the most recent hires came from our county."

"We recruit nationally because we are an affiliated Montessori school. Our salaries and total compensation are determined according to a national survey."

> *"I am not concerned with certification or degrees in education, but with hiring the most qualified teacher to work within a specific field."*

As far as the actual hiring process is concerned, several respondents noted that because they were small independent schools, they could recruit directly and avoid the red tape of dealing with a personnel office.

"In the local school district, teachers must submit paperwork, then apply to the individual schools that have the open positions. People wishing to teach at our charter school simply come in and apply directly at our school."

"Most of the people we hire are walk-ins, people who have learned about our school and want to work here."

"Less red tape in public charter schools as far as hiring goes!"

Several respondents drew attention to their screening process for new teachers, involving faculty, board members, and parents.

"We use a team approach, using teachers, parents and administrators to recruit and interview prospective teachers."

"Our recruitment process is very different and includes a five-step process with significant parent, student, and board involvement."

"We ... use hiring committees comprised of teachers and board members."

"New teachers are interviewed by our entire teacher and parent board of ten people and must be hired with 100 percent agreement."

"Recruitment involves parents, board members, and the headmaster. We advertise widely. We not only ask for a resumé but also a statement of educational philosophy. Interviews are lengthy and involve the headmaster, board members, and personnel committee. An interviewee is also often asked to demonstrate competence through questions or teaching of content specialty. After hiring, new teachers spend two weeks in training with the headmaster and one in training with colleagues."

"The interview process begins at recruitment. We hire for attitude and look for candidates who will connect with the at-risk populations we serve. Candidates then interview at the school level with a mentor teacher (after pre-screening by HR department). If they are approved for a 2nd interview, they are then interviewed by the area supervisor and the director of educational operations. Then they are processed (background checks) and sent to training before beginning to work with students under the supervision of a mentor teacher for approximately two months."

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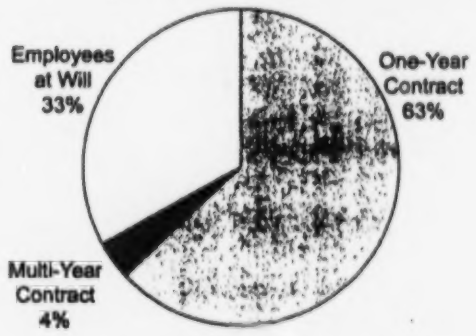
"In public schools, great teachers are made to 'pay their dues' by being kept as subs for years until they are willing to do anything to be hired and kowtow to the unions. We simply advertise, extensively interview, and have them try out for the position by showing us what they can do as substitutes for a few days. Since we do not offer contracts, we do hire teachers who are uncertified, but we are not obligated to keep them if they do not work and do not perform well. We have board members interview candidates as well as the director, and often we have them speak with parents and get parental input before hiring. More importantly, we have them spend time with our students and see how they relate and get student feedback."

Contracts, Job Rights, Work Load, and Evaluation

Most teachers in traditional public schools work under multi-year contracts negotiated between a school board and a teacher union. Matters are rather different in charter schools (see Figure 14). In only 4 percent of the surveyed schools did teachers work under multi-year contracts. In most schools (63 percent), teachers had one-year contracts. In a third of the schools, teachers had no contract at all.

Figure 14: Duration of Teacher Contracts

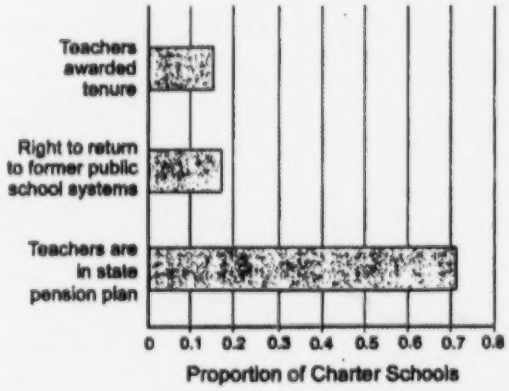


All seven states included in this survey permit charter school teachers to join unions and engage in collective bargaining. However, teachers were represented in collective bargaining in only 8 percent of the surveyed schools.[9] Nine of every ten teacher contracts were arrived at through some process other than collective bargaining.

Teacher contracts in traditional public schools have been criticized for unduly constraining managerial prerogatives. Tenure protects ineffective teachers from dismissal. Restrictions on the length of the work day and work year make it difficult to assemble staff for meetings and professional development. To some extent, the same is true of charter schools, though collective bargaining is not the sole factor.

For example, 15 percent of the surveyed charter schools granted teachers tenure (see Figure 15). Nine out of ten charter schools with collective bargaining extended this job protection to instructors, as opposed to a mere 8 percent of the charter schools without collective bargaining. In 18 percent of charter schools, teachers enjoyed the right to return to the local school district that formerly employed them, though not necessarily to the same positions they held prior to service in the charter school.

Figure 15: Tenure and Other Benefits in Charter Schools

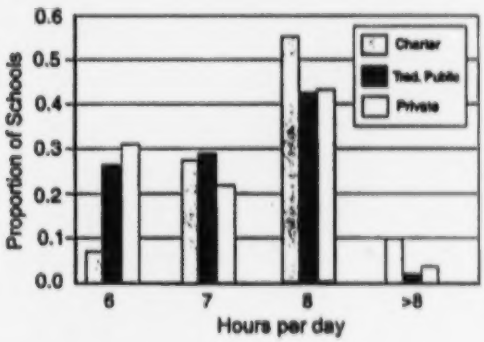


Survey responses confirm the common perception that charter schools demand more of their teachers' time (see Figure 16). In a quarter of the traditional public schools in the comparison sample, teachers were required to be at school no more than six hours per day. (Data have been rounded to the nearest hour.) This was true of fewer than 10 percent of charter schools.[10]

Charter schools in which teachers engage in collective bargaining more nearly resemble traditional public schools in this respect. In

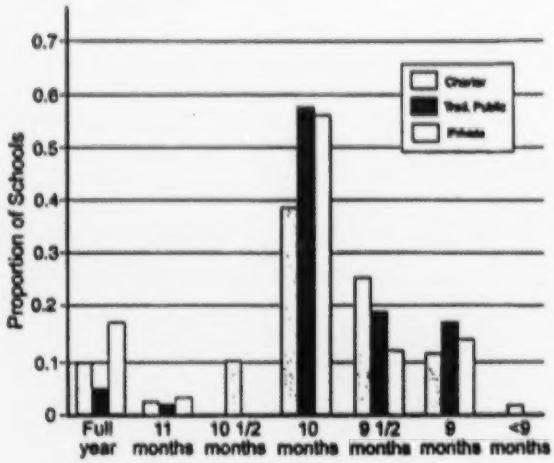
two-thirds of the charter schools without unions, the work day for teachers was eight hours or more. By contrast, the teachers' work day lasted more than eight hours in barely one-quarter of the schools with collective bargaining. However, the difference is not solely due to bargaining. Teachers covered by contracts (whether bargained collectively or arrived at by other means) generally had shorter work days. Three-fourths of the teachers who were at-will employees had required work days of eight hours or longer, compared with 56 percent of the teachers working under a contract.[11]

Figure 16: Length of Work Day



The charter school work year also tends to be longer, though differences in survey language make this comparison somewhat problematic (see Figure 17).[12] In about one third of traditional public schools, the work year for teachers was nine or nine-and-a-half months. While this was also true of charter schools, the proportion with nine-and-a-half month school years was much larger. At the upper end of the scale, about 10 percent of charter schools required teachers to work a full year, twice the incidence among traditional public schools.

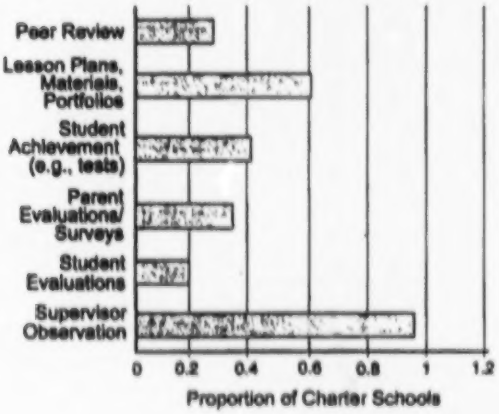
Figure 17: Length of Work Year



Once again, charter schools whose teachers worked under contracts differed from the rest. Teachers with the status of employees-at-will were significantly more likely to work a longer school year than those covered by contracts. The difference is more pronounced when at-will employees are compared with those working under collectively bargained contracts. Nearly two-thirds of the former, but only 36 percent of the latter, were required to work ten or more months a year.

Charter schools use a variety of methods to evaluate their teachers (see Figure 18). In virtually all charters, supervisors observed instructors in the classroom. In addition, at least a fifth of charter schools used one or more of the following methods: peer review, review of teachers' lesson plans and materials (possibly assembled in a portfolio), parental evaluations and surveys, and student evaluations. More than 40 percent of charter schools considered some measure of student achievement (for example, standardized test scores) in appraising teacher performance.

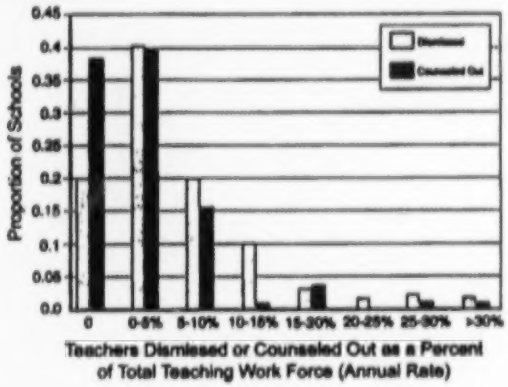
Figure 18: Methods of Evaluating Teachers



Charter schools were fairly aggressive in ridding themselves of ineffective teachers (see Figure 19). Eighty percent indicated that they had terminated at least one teacher's employment for poor performance either at the end of a year or in mid-year.[13] Although precise calculations are not possible from survey answers, it appears that about one-fifth of charter schools dismiss 5 to 10 percent of their teachers annually. In one out of seven charter schools, the dismissal rate has exceeded 10 percent.[14]

Unionization appears to play a role in the likelihood that schools will dismiss their teachers. Significantly fewer teachers have been dismissed in charter schools with collectively bargained contracts. It appears that it is the union rather than the contract per se that is responsible for the difference. In schools with teacher contracts that were not negotiated through collective bargaining, dismissal rates have been as high as in schools where teachers are employees-at-will.

Figure 19: Annual Dismissal Rates in Charter Schools

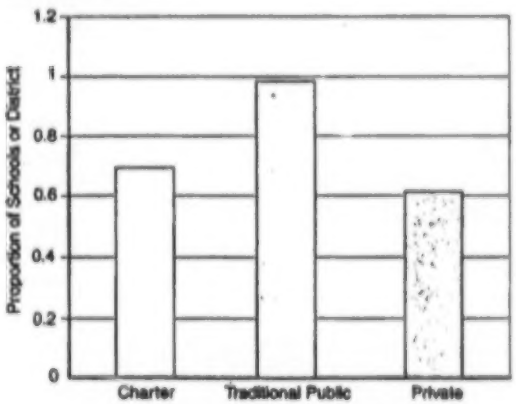


Pay and Incentives

Most charter schools offered salaries that were competitive with local public school systems, considering the teachers' level of experience. More than 70 percent of charter schools paid new teachers with a bachelor's degree at least $24,000. More than 40 percent paid at least $27,000. These salaries are approximately equal to those in traditional public schools and significantly higher than private school salaries.[15]

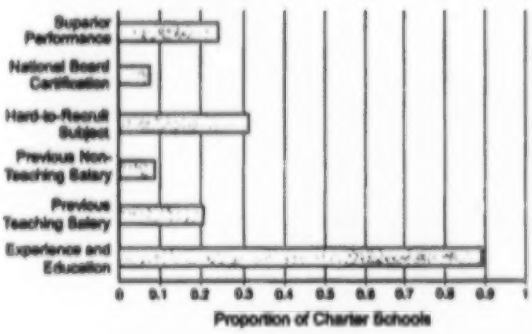
As shown in Figure 20, most of the surveyed charter schools (71 percent) also used salary schedules, by which a teacher's compensation is determined as a function of experience and education. Use of schedules is nearly universal in traditional public school systems, though not in the private school comparison sample (63 percent). However, only 23 percent of charter schools used the same schedule as the local school district. In most there were several significant departures from traditional public school practices.

Figure 20: Schools or Districts Using Salary Schedules



Charter schools considered a variety of factors in making an initial salary offer, particularly to veteran teachers (see Figure 21). A quarter of charter schools took superior performance into account. More than 30 percent offered more to teachers with expertise in hard-to-staff subject areas. Twenty percent took note of previous teaching salary. Least important of all these factors was certification from the National Board for Professional Teaching Standards, a consideration in only 7 percent of charter schools.

Figure 21: Factors Affecting Initial Salary Offer by Charter Schools



Comparable survey data on practices in traditional public schools are not available. Anecdotal evidence as well as studies of teacher contracts indicate that administrators often have some flexibility in the initial offer they can make to veteran teachers. According to the Schools and Staffing Surveys, about 10 percent of public school systems have policies in place that permit them to make higher initial offers to teachers in shortage subjects. However, statistical analysis of salary data indicates that this option is not widely exercised.[16]

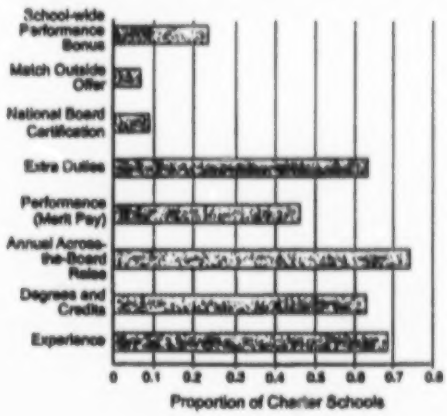
Policies in charter schools appear to be closer to those of private schools. Analysis of Schools and Staffing Survey data shows that private schools are much more likely to use incentives to recruit teachers in shortage subjects.[17] Additional evidence is provided by the small sample of private schools surveyed for this study, whose responses were similar to those of charter schools. Initial offers were influenced by the following

factors: experience and education (96 percent), salary at a previous teaching job (44 percent), salary at a previous nonteaching job (9 percent), subject-matter expertise in shortage areas (44 percent), National Board certification (6 percent), and evidence of superior performance (34 percent).

More striking departures from traditional salary schedules were evident in the factors that determine salary growth once a teacher has been hired (see Figure 22). In almost half of the charter schools, individual performance was a consideration (merit pay). One-fourth used school-wide performance bonuses. More than 30 percent of charter schools did not base salary growth on experience, and nearly 40 percent did not reward teachers for earning extra degrees and credits. However, very few schools (6 percent) matched outside offers. An almost equally low number rewarded teachers who earned National Board certification.

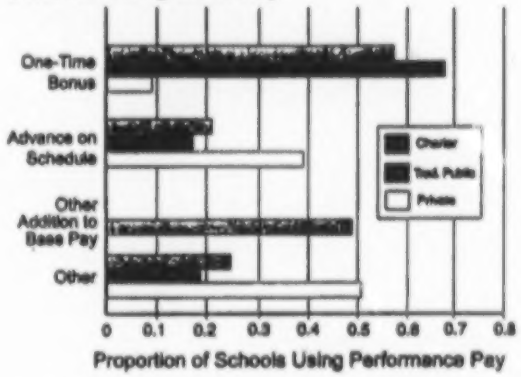
Similar findings were obtained in the small comparison sample of independent private schools that responded to the survey. One-half of these private schools reported using merit pay, and 28 percent did not reward experience or college credits. Very few matched outside offers (6 percent), and fewer still rewarded National Board certification (3 percent); however, 31 percent provided school-wide performance bonuses.

Figure 22: Factors Determining Salary Growth



Performance-based pay was not only used by more charter schools than traditional public schools, it was given more weight in the overall compensation package. Most charter schools that took individual performance into account rewarded it in a variety of ways, including one-time bonuses, advancing the teacher an extra step on the salary schedule, and additions to base pay in some other form. In traditional public schools, by contrast, the dominant method for awarding such incentives is a one-time cash bonus (see Figure 23).[18] Because such awards are not built into the teacher's base pay, their long-term impact on compensation is much smaller.

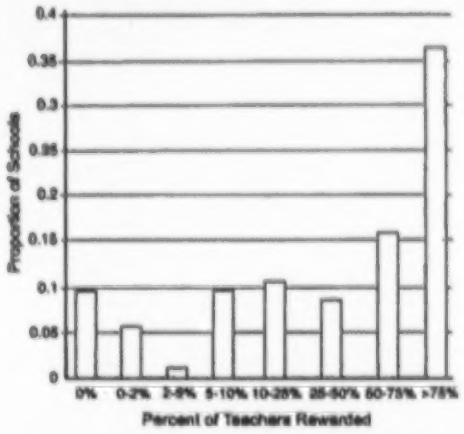
Figure 23: How Merit Pay is Awarded in Schools Using Merit Pay



Many charter schools appear to use performance incentives much as businesses do, by making performance a factor in the determination of pay increases for most or all employees (see Figure 24). It was uncommon for charter schools that used performance-based pay to make such awards to fewer than 10 percent of faculty. In most of these schools, the majority of teachers were affected. (Indeed, the modal response was "more than 75 percent" of teachers.) By contrast, traditional public schools use merit pay primarily to reward the exceptional employee. Few teachers receive anything. In our comparison public school sample, only 4 percent of the

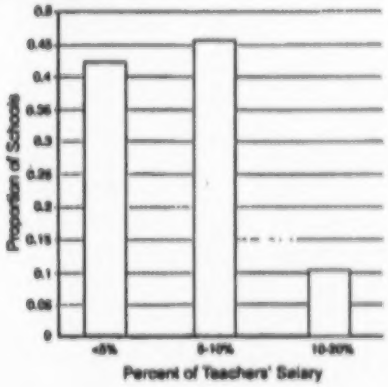
teachers working in districts that claimed to use merit pay said they received it.[19]

Figure 24: Merit Pay Recipients as a Percentage of the Workforce in Charter Schools Using Merit Pay



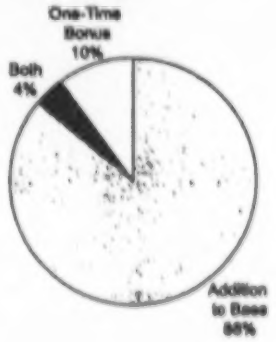
Performance-based pay tends to be a relatively small component of overall compensation, less than 5 percent of a teacher's salary in about half the schools that used it, between 5 and 10 percent in the other half (see Figure 25). (In one-tenth of the schools, the performance component fell between 10 and 20 percent.) No direct comparison with traditional public schools is possible. However, statistical analysis of teacher salaries in districts that claim to use merit pay suggests that awards average about 2 percent of base pay. In the private sector, merit pay typically boosts compensation by 9 to 10 percent.[20]

Figure 25: Merit Pay Awards as a Percentage of Average Pay



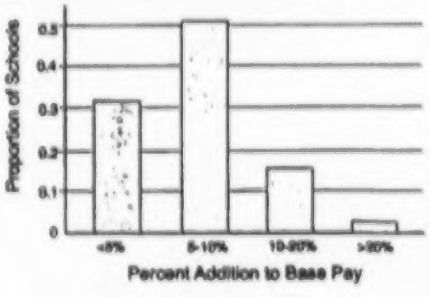
Charter schools that used pay incentives to attract teachers in hard-to-staff fields were far more likely to build these incentives into base pay (86 percent) than to make one-time cash awards (10 percent). The same was true of private schools (20 percent used one-time cash awards). By contrast, 41 percent of traditional public schools that used salary differentials to fill shortage areas paid one-time cash bonuses (see Figure 26).[21]

Figure 26: Types of Bonus Pay in Hard-to-Staff Fields in Charter Schools



Half the charter schools using these incentives indicated that they increase salaries by 5 to 10 percent in hard-to-recruit fields (see Figure 27). Again, a direct comparison with private and traditional public schools cannot be made. However, increases of this magnitude are approximately the size of the differential in salaries found in statistical analyses of private school salaries. By contrast, it is very hard to find evidence that salaries are actually affected in public school districts that claim to use such incentives.

Figure 27: Additions to Base Pay in Hard-to-Staff Fields in Charter Schools



Open-Ended Responses Concerning Compensation

In addition to the structured survey items, we also asked charter school administrators to identify the most important ways in which their compensation policies differed from traditional public schools. The qualitative evidence on compensation mirrored what we have seen in the charts above. When asked to compare their compensation policies with those in public schools, some respondents merely noted:

"There are no differences."

"The compensation method does not differ greatly from the local conventional public school systems. We are trying to stay competitive with the schools on teacher salaries."

However, a roughly similar share of respondents went out of their way to note that they used some form of merit or performance-based assessment in setting pay. Here are some examples:

"Ours is flexible in that we can adjust for performance or pay more in hard-to-fill positions."

"The primary difference is in performance pay. Our school offers performance pay based on clearly stated evaluative criteria. Last year's performance bonus ranged from $2,100 to $3,500."

"Bonuses paid for outstanding effort. Individuals can earn different pay raises depending on merit, effort, and overall effectiveness."

"We offer merit and bonus pay and have done away with salary schedules."

"Additional pay for student progress."

"Salary adjustments are determined by job performance and value to the school."

Several noted that their performance or merit pay was tied to factors such as parental surveys, student achievement gains, or student attendance.

"We have had and continue to have a performance-based plan that is based on evaluations, parental survey results, and peer evaluations."

"We offer a bonus of $2,000–$5,000 for every staff member. Fifty percent is based on overall student improvement in Stanford-9 scores, 5 percent is based on a parental survey. This 55 percent is the same for all [professional staff]. Then 25 percent is based on average scores of peer observation (in five categories with approximately five different questions in each). Twenty percent is based on administrative review."

"There is no salary schedule. Teachers are paid on a performance-based system. The school supervisor evaluates the teacher based on the following criteria: student achievement, student attendance, professional relationships, and student evaluations. Market forces and labor supply and demand issues affect pay. For instance, we will pay whatever it takes for a good math teacher."

"We offer merit and bonus pay and have done away with salary schedules."

Several noted that, while teacher training or experience was rewarded, it was not open-ended but tied to the needs of the school.

"Compensation is based on number of years one has taught in the Waldorf method. If a teacher from a public background with no Waldorf experience is hired, the review process is put into motion and this individual would be required to take on the Waldorf training. Compensation is then awarded in subsequent years with the school."

"Montessori certification and experience rather than college credits."

And finally,

"We don't believe in compensating teachers for taking courses. Any fool can take courses. More courses do not necessarily make a teacher better, and I have too often seen teachers neglect their classes while taking courses. We also do not compensate for years of teaching. I have too often seen teachers who endured many years by being protected by the union when they couldn't teach to save their lives. Neither courses nor length of teaching necessarily makes a great teacher. What makes

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a great teacher is the gift of teaching coupled with the necessary knowledge and experience, but hard work and devotion to duty are a large part of it. I look for creative ways to compensate since we have no money to be able to pay our teachers what they're worth. We also differ from public schools in that we do not keep and continue to pay poor teachers. I get rid of them as soon as it becomes apparent that they cannot teach.In public schools, unless a teacher commits murder, he is never removed. There, excellent teachers are pulled down by peer pressure to the lowest level of performance in order not to make the others look bad. I have seen that repeatedly."

Chartering Authorities and Personnel Policy

In three of the seven states surveyed (California, Colorado, and Florida), new charter schools must apply for charters from the local school boards in whose districts they will operate. If denied, they can appeal the local decision to state boards of education, which are authorized to issue charters or to direct the local school board to do so.[22] In the other four states, new schools have a wider range of choices. In Arizona, Massachusetts, and Texas, they may obtain a charter directly from the state board of education or (in Arizona) a special charter school board. In Michigan, community colleges and public universities are authorized to issue charters.

Aside from their role in granting charters, local boards have other opportunities to influence the personnel policies of charter schools. In California and Colorado, state law stipulates that charter schools negotiate any departures from district policies with the local school board. The results of these negotiations become part of the charter. The same is true in Florida, though the legislation encourages the parties to the negotiations to be flexible.

Because local school boards and teacher unions have often been hostile to charter schools within their districts, concerns have been voiced over the large role given local boards in the process of charter approval. To investigate this issue, we compare personnel policies in charter schools that have obtained their charters from local boards with policies of schools that were granted charters by other agencies. There is reason to expect that policies may not differ greatly. The fact that in all seven states prospective charter schools can appeal local decisions to higher levels may force local boards to show more flexibility than they otherwise would. Thus, if local boards influence charter school policies even in these relatively benign environments, it would raise still more serious concerns about charter school autonomy in states where rights of appeal are more severely circumscribed.

The results of these comparisons are reported in Tables 3 through 5. Many of the differences between the two sets of charter schools do not rise to conventional levels of statistical significance.[23] The p-values reported in these tables measure the likelihood that the differences we have found can be attributed simply to chance (the luck of the

Table 3: Chartering Authority, Job Rights, and Evaluation

	Chartering Authority		
	Local School Board	Other	P- Value of Difference
	Percentage of Schools		
Teachers have Contract	71%	63%	.451
If yes, multi-year contract	10%	2%	.197
Teachers are Awarded Tenure	22%	10%	.089
Teachers are Unionized (Bargain Collectively)	16%	1%	.005
If yes, are members local district unit	78%	100%	1.00
Methods Used to Evaluate Teachers:			
Student evaluations	15%	23%	.275
Parent survey	41%	29%	.193
Student achievement	41%	41%	1.00
Teacher portfolio	54%	67%	.203
Peer evaluation	22%	30%	.320
	Average Over Schools		
Portion of Teachers Counseled Out	25%	37%	.201
Portion of Teachers Dismissed	47%	73%	.077

draw in sampling), rather than to systematic differences between the two types of schools.

Thus, low p-values (particularly < .10) mean that the observed difference is too great to be attributed to chance, while high p-values mean the opposite. However, there is another dimension to the evidence. The differences between columns (1) and (2) of each table — even those that do not rise to conventional levels of significance — are almost always in the same direction: schools that obtain their charters from local school boards tend to adopt policies more like those of traditional public schools. The hypothesis that this pattern results from chance is decisively rejected (p-value = .003).[24] Taken in its entirety, the evidence indicates that local school boards exercise a restraining influence on charter school personnel policies.

As shown in Table 3, schools granted charters by local boards were more likely to employ teachers under multi-year contracts, to award tenure, and to bargain collectively with their teachers. Differences in teacher evaluation were much less pronounced. Interestingly, schools that obtained charters from local school boards were more likely to rely on surveys of parents when evaluating teachers and just as likely to use some measure of student achievement. (None of the differences in evaluation methods is statistically significant at conventional levels.) The stakes attached to evaluation vary: locally chartered schools were less apt to counsel teachers out or to dismiss them outright for poor performance.

Compensation policies departed more from traditional public school when charters were obtained from a source other than the local board (see Table 4). However, the differences, which tend to be modest, should not obscure the fact that both types of charter schools used considerably more flexible policies than most traditional public schools. Locally chartered schools were somewhat more likely to reward teachers for earning additional college degrees or credits, but the proportion was less than three-fourths, whereas this practice is virtually universal among traditional public schools. Locally chartered schools were less likely to use merit pay (42 percent to 52 percent), but more likely to award schoolwide bonuses (31 percent to 19 percent), an incentive that public school teachers generally prefer to merit pay.

Staffing patterns did not differ appreciably. There is weak evidence (p = .13) that locally chartered schools used fewer part-time teachers (see Table 5), and still

Table 4: Chartering Authority and Compensation Policies

	Chartering Authority		
	Local School Board	Other	P- Value of Difference
	Percentage of Schools		
School uses salary schedule	75%	66%	.333
If yes, is same as local district	52%	16%	.001
Initial salary offers determined by:			
Expertise in hard-to-staff field	29%	35%	.569
Evidence of superior performance	22%	26%	.681
Previous teaching salary	25%	16%	.195
Previous non-teaching salary	12%	6%	.343
National Board certification	8%	6%	.732
Experience and education	93%	88%	.382
Salary growth determined by:			
Additional experience	69%	68%	1.00
Additional education	73%	54%	.029
Individual performance	42%	52%	.291
School-wide bonus	31%	19%	.150
Across-the-board raise (e.g., COLA)	80%	70%	.227
National Board certification	10%	9%	1.00

weaker evidence that they employed more aides. The work day also tended to be shorter in these schools. However, the fact that personnel policies in locally chartered schools more nearly resembled those of traditional public schools does not appear to have wider implications for staffing patterns. Turnover was actually higher, not lower, among these schools ($p = .10$). There is no impact on the extent to which schools depended on the services of new teachers: the proportion of teachers with less than three years of experience was statistically indistinguishable in the two groups.

Table 5: Chartering Authority, Staffing, and Working Hours

	Chartering Authority		
	Local School Board	Other	P- Value of Difference
	Average over schools:		
Ratio of Part-time to Full-time Teachers	20%	28%	.128
Ratio of Full-time Aides to Full-time Teachers	41%	32%	.276
Ratio of Part-time Aides to Full-time Teachers	20%	22%	.892
Turnover (Full-time Teachers)	26%	20%	.103
Share of Teachers with <3 Years Experience	34%	35%	.874
	Percentage of schools:		
Teachers Hired Without Certification are Required to Earn It	55%	47%	.544
Work Day Exceeds 7 Hours	63%	78%	.078
Work Year Exceeds 9.5 Months	58%	67%	.357

Conclusion

This report has examined the personnel policies of a sample of 132 charter schools in seven states. These states have relatively strong enabling legislation, exempting charter schools from many state regulations and freeing them from collective bargaining agreements unless the charter school faculty chooses to unionize. While our conclusions pertain only to these states, they suggest that when given the opportunity, charter schools pursue innovative personnel policies that differ in key respects from those of traditional public schools and more closely resemble the practices of private schools.

Our report appears at a time when charter schools have come under criticism for failing to realize one of the goals emphasized by proponents: that they would serve as laboratories in which novel ideas and methods could be tested and best practices identified for dissemination among traditional public schools. For example, a recent study of California charter schools concluded: "The charter schools we observed ... were not serving as models of innovation from which educators in other schools could learn."[25] Our study of personnel policy suggests just the opposite. In the areas of recruitment and staffing, pay flexibility, incentive pay, and staffing flexibility, we have found evidence of major differences between charters and traditional public schools.

> When given the opportunity, charter schools pursue innovative personnel policies that differ in key respects from those of traditional public schools.

Charter schools employ more teachers and aides relative to their numbers of students than do traditional public schools. In states where it is permitted, charter schools recruit significant numbers of uncertified teachers. Many charter school administrators identify the ability to recruit uncertified teachers as an important source of flexibility.

Few charter schools grant tenure. Most of their teachers work under one-year contracts or are employees-at-will. Very few charter schools are covered by collective bargaining agreements. The average length of the teacher work day and year are longer in charter schools. Dismissals of teachers for unsatisfactory performance are commonplace.

Many charter schools raise salaries of teachers in hard-to-staff subjects such as math and science. Nearly one-half of charter schools report using merit or performance-based pay. Many charter schools have broken with the practice of awarding increases based on seniority or the accumulation of advanced degrees and college credits.

Given the small size of the sample, it was not possible to conduct an extensive statistical analysis, complete with multiple controls, to determine which charter schools are most likely to adopt innovative policies. Nonetheless, our limited investigation suggests that schools in which teachers are unionized are less innovative. In addition, schools that are chartered by local school districts generally pursue somewhat more traditional personnel policies than do schools chartered by outside agencies such as state boards or institutions of higher education.

Charter schools are a recent phenomenon. The practices we have described may undergo further change as schools mature. Many charter schools rely heavily on the services of relatively inexperienced teachers. Even private schools, which generally have more youthful faculties than public schools, are not so dependent on teachers with less than three years of experience. The inexperienced work

force is both a cause and a consequence of high rates of turnover among charter school faculties. In the long run, as charter schools become more settled workplaces, retention rates may rise. This will put upward pressure on salaries, making it difficult to maintain low student-to-teacher ratios.

In other respects, however, it is possible that innovative policies will become more widespread as the charter school experiment matures. The personnel practices of charter schools and private schools are not established in a vacuum. They are heavily influenced by long-standing professional norms. The spread of innovative policies requires expanding what teachers and administrators consider the set of viable options—a development to which the growth of the charter school movement is likely to contribute.

Appendix

Survey of Personnel Practices in Charter Schools.

These questions refer to the 1999-2000 academic year.

1. How many students were enrolled in your school in the fall of 1999?

_____ Number of students

2. What grade levels were offered? _____

3. Who granted the charter for your school?

- ☐ 1. A local school district
- ☐ 2. A college or university
- ☐ 3. A state agency (such as the Department of Education or Board of Education)
- ☐ 4. Other (please explain) _____

_____

_____

4. Was your charter school a conversion?

- ☐ 1. Yes, conversion from pre-existing public school
- ☐ 2. Yes, conversion from pre-existing private school
- ☐ 3. No, it is a new school
- ☐ 4. Other (please explain) _____

_____

_____

5. How many teachers were employed at your school in the fall of 1999?

a. Number of full-time teachers _____

b. Number of part-time teachers _____

Continued on Next Page

6. How long is the school year for teachers (including required participation in planning, professional development, conference)?

- ☐ 1. less than 9 months
- ☐ 2. 9 months
- ☐ 3. 9 1/2 months
- ☐ 4. 10 months
- ☐ 5. 10 1/2 months
- ☐ 6. 11 months
- ☐ 7. full year

7. How long is the school day for teachers to the nearest hour? _____

8. How many persons were employed in an instructional capacity below the rank of teacher in the fall of 1999? (example: aides, interns)

- ☐ a. Number of full-time people
- ☐ b. Number of part-time people

All questions from this point on refer to regular, full-time teachers.

9. Please check the single category which best describes the status of the majority of teachers in your school:

- ☐ 1. Public employees of the district in which the charter school resides
- ☐ 2. Public employees of another school district
- ☐ 3. Public employees of your school
- ☐ 4. Private employees of a management firm or organization which operates your school
- ☐ 5. Other. Please explain below:_____

_____

_____

If you checked item 9-1, please answer the following. If not, go to 10.

9b. Are teachers in you school able to return to former public school jobs with seniority rights?

- ☐ 1. Yes
- ☐ 2. No
- ☐ 3. Yes, but these rights are limited (please explain) _____

_____

_____

Continued on Next Page

10. How many of the teachers at your school during the 1999-2000 academic year belonged to each of the following categories? (Respond with a head count.)

- ☐ a. Less than 3 years experience teaching _____ Number of teachers
- ☐ b. Between 3 and 10 years experience _____ Number of teachers
- ☐ c. Between 10 and 20 years experience _____ Number of teachers
- ☐ d. More than 20 years experience _____ Number of teachers

11. How many teachers who were working at your school in the fall of 1999 will not be returning to teach in the coming year?

_____ Number of teachers

12. Are the majority of your teachers employed on (check one)

- ☐ 1. One-year contracts
- ☐ 2. Multi-year contracts
- ☐ 3. Employees at will

13. After serving with your school for a specified number of years, are your teachers awarded tenure (a special employment status, guaranteeing contract renewal except in unusual circumstances, subject to due process)?

- ☐ Yes
- ☐ No

14. Are your teachers covered by a collective bargaining agreement?

- ☐ Yes **(go to 14b)**
- ☐ No **(go to 15)**

14b. **If yes,** are they part of the bargaining unit of a local school district?

- ☐ Yes
- ☐ No (please explain)_____

_____

_____

15. How many of the teachers in your school do not hold a state teaching certificate of any kind in their main teaching assignment?

_____ Number of teachers

15b. How many hold only an emergency or temporary certificate?

_____ Number of teachers

Continued on Next Page

15c. If teachers are hired without certificates, do you require them to earn a teaching certificate within a fixed amount of time in order to retain their positions?

- ☐ Yes
- ☐ No

16. What methods do you use to evaluate teacher performance? (Check all that apply)

- ☐ a. Classroom observation by supervisor
- ☐ b. Evaluations completed by students
- ☐ c. Evaluations or surveys completed by students' parents
- ☐ d. Student progress on standardized tests or other assessments
- ☐ e. Teacher lesson plans, examples of student work, or other instructional materials, possibly assembled in a teacher portfolio
- ☐ f. Peer review (teachers evaluating other teachers)

17. Since your school began operating as a charter school, how many teachers have you chosen not to re-employ due to poor performance? (Include teachers terminated in mid-year, before their contract expired.)

_____ Number of teachers

17b. In addition to the teachers in 17a, how many teachers have agreed to quit at your suggestion ("counseled out") because they did not share the philosophy or goals of the school, or for other reasons related to job performance?

_____ Number of teachers

18. Does your school use a salary schedule to determine teacher pay?

- ☐ 1. Yes, applies to all teachers
- ☐ 2. No
- ☐ 3. Yes, with exceptions (please explain)_____

_____

_____

18b. **If yes,** is this the same salary schedule used in the local school district?

- ☐ Yes
- ☐ No

Continued on Next Page

19. Which of the following are used to determine the salary offer at the time a teacher is first hired by your school? (Check all that apply.)

- ☐ 1. Experience and education.
- ☐ 2. The salary the teacher was making at the previous teaching job.
- ☐ 3. The salary the teacher was making at the previous non-teaching job (for teachers coming from positions outside education).
- ☐ 4. Subject matter expertise in hard-to-recruit fields (for example: math, science, special ed)
- ☐ 5. Certification by National Board for Professional Teaching Standards
- ☐ 6. Evidence of superior performance (letters of recommendation, personal knowledge of the teacher)

20. **If you checked item 19-4**, please answer the following. If not, go to 21.

20a. In which hard-to-recruit fields have you paid extra for qualified teachers?

field #1:_____ field #2:_____

field #3:_____ field #4:_____

20b. Was this a one-time hiring bonus or an addition to base pay?

field #1	field #2	field #3	field #4
☐ one-time bonus	☐ one-time bonus	☐ one-time bonus	☐ one-time bonus
☐ base pay	☐ base pay	☐ base pay	☐ base pay
☐ both	☐ both	☐ both	☐ both

20c. If these teachers received an addition to base pay, how great was the addition, on average?

field #1	field #2	field #3	field #4
☐ < 5%	☐ < 5%	☐ < 5%	☐ < 5%
☐ 5-10%	☐ 5-10%	☐ 5-10%	☐ 5-10%
☐ 10-20%	☐ 10-20%	☐ 10-20%	☐ 10-20%
☐ > 20%	☐ > 20%	☐ > 20%	☐ > 20%

20d. If these teachers received a one-time hiring bonus, how large was the average bonus?

field #1:_____ field #2:_____

field #3:_____ field #4:_____

Continued on Next Page

21. Once a teacher has been hired by your school, which of the following factors affect salary growth over time? (Check all that apply.)

- ☐ 1. Accumulating additional experience
- ☐ 2. Earning additional college degrees or credits
- ☐ 3. Annual raises awarded all teachers (for cost of living, etc.)
- ☐ 4. Above-average or outstanding individual performance (merit pay)
- ☐ 5. Assuming extra duties (for example: lead teacher, department head)
- ☐ 6. Certified by National Board for Professional Teaching Standards
- ☐ 7. Teacher has received an outside offer that school has matched (at least partially)
- ☐ 8. Bonus given all teachers to reward performance by the entire school

22. **If you checked item 21-4**, please answer the following. If not, go to 23.

22a. In what form did you reward individual performance? (check all that apply)

- ☐ 1. One-time cash bonus
- ☐ 2. Advance teacher one or more extra steps on salary schedule
- ☐ 3. Addition to base pay (for example by moving another lane on the salary schedule)
- ☐ 4. Other (please explain)_____

_____

_____

22b. What percentage of the school's teachers received a financial reward for individual performance last year?

- ☐ 1. 0%
- ☐ 2. 0- 2%
- ☐ 3. 2-5%
- ☐ 4. 5-10%
- ☐ 5. 10-25%
- ☐ 6. 25-50%
- ☐ 7. 50-75%
- ☐ 8. more than 75%

22c. What was the average amount of such awards, as a percentage of the average teacher's pay?

- ☐ < 5%
- ☐ 5-10%
- ☐ 10-20%
- ☐ >20%

Continued on Next Page

23. In your school, what is the typical base pay (not including bonuses or extras) for a new teacher with a bachelor's degree and no prior experience?

- ☐ 1. Less than $15,000
- ☐ 2. $15,000 - $18,000
- ☐ 3. $18,001 - $21,000
- ☐ 4. $21,001 - $24,000
- ☐ 5. $24,001 - $27,000
- ☐ 6. $27,001 - $30,000
- ☐ 7. Above $30,000

23b. Over the past three years (or since your school has been in operation), how much has a typical teacher's base pay risen per year? (Do not count teachers who are at the top of the salary schedule, if your school uses a schedule.)

- ☐ 1. 1% or less per year
- ☐ 2. More than 1%, up to and including 2% per year
- ☐ 3. More than 2%, up to and including 3% per year
- ☐ 4. More than 3%, up to and including 4% per year
- ☐ 5. More than 4%, up to and including 5% per year
- ☐ 6. More than 5%, up to and including 6% per year
- ☐ 7. More than 6%, up to and including 7% per year
- ☐ 8. More than 7%, up to and including 8% per year
- ☐ 9. More than 8%, up to and including 9% per year
- ☐ 10. More than 9%, up to and including 10% per year
- ☐ 11. More than 10% per year

24. Do teachers in your school participate in the same pension plan as other public school teachers in the state?

- ☐ Yes
- ☐ No

24b. If no, do your teachers have a portable, defined-contribution plan (for example, TIAA-CREF) to provide retirement income?

- ☐ Yes
- ☐ No

Continued on Next Page

Many of the differences between charter schools and traditional public schools are difficult to capture through a multiple-response survey. In order to obtain a more rounded picture of charter schools, we ask that you take a few minutes to respond to the following open-ended questions.

25. What are the most important ways that teacher compensation in your school differs from conventional public schools in your area? (If you are not familiar with practices in the public schools in your area, please check here ☐ and respond by comparing your charter school to public schools with which you are familiar.)

26. What are the most important ways that teacher recruitment and hiring in your school differ from conventional public schools in your area? (If you are not familiar with practices in the public schools in your area, please check here ☐ and respond by comparing your charter school to public schools with which you are familiar.)

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Notes

[1] Reviews of the literature appear in Franciosi and Gifford, 2000, and chapter four of Finn, Manno, and Vanourek, 2000.

[2] Center for Market-Based Education, 1998.

[3] Berman et al., 1999; Nelson et al., 2000.

[4] Hoxby, 2000.

[5] We are grateful to the Center for Education Reform for providing us with an electronic file containing the mailing addresses of the charter schools. According to the Center's database, there are a total of 548 charter schools in operation since 1997 in these seven states. Our sample thus represented 36 percent of the target population. We attempted to sample an equal number of schools in each state. However, Massachusetts and Texas had only 19 and 18 charter schools, respectively, in operation since 1997. For these two states, we sampled all the charter schools in the population, and allocated the additional surveys to the larger charter school states (California, Michigan, and Arizona).

[6] Some of the schools in the "other" category began as alternative schools serving special student populations on a contracted-out basis. Some had offered vocational education before converting to (or adding) charter schools. Schools that had a mixed history (conversion of pre-existing school, plus addition of new grades) are sometimes counted in the "other" category.

[7] A recent study of Texas charter schools by Gronberg and Jansen (2001) also finds higher turnover rates in charter as compared with traditional public schools. The authors note that the turnover gap is smaller when charters, which predominantly serve low-income, at-risk children, are compared with urban schools that serve a similar student population. They also note that mobility between schools within the same district would not count as turnover for public schools, but would count as turnover in charter schools, hence imparting an upward bias in estimates of the charter/public turnover gap.

[8] The average certification rate in our sample is 66 percent. The Third-Year report of the U.S. Department of Education charter school study (Berman et al., 1999), conducted by RPP International, reports a certification rate of 77 percent for these seven states. Aside from sampling error, there are several possible explanations for this discrepancy. Our results refer to the 1999–2000 school year, whereas the RPP study refers to the 1997–98 school year. Our sample included only charter schools in operation for three or more years, whereas RPP included all schools. The RPP report does not explain how they handled emergency or temporary certification. We counted anything other than regular certification as not certified. Our study includes only full-time teachers, whereas the RPP study included part-time teachers.

[9] The incidence of collective bargaining is lower in our study than in the aforementioned survey of charter schools conducted for U.S. Education Department by RPP International. For example, 57 percent of California charter schools responding to that survey indicated that teachers were represented in bargaining; among the California schools in our survey, the rate was 33 percent. None of the Texas schools in our survey were unionized, as opposed to 21 percent in the RPP study.

[10] Length of the required work day was reported by teachers in the comparison samples and by school administrators in the charter school sample. This may have induced some biases in the data. Analyses of independent sources of data on teachers' work day (for example, teacher contracts) suggest that few public school teachers are required to put in eight hour work days. However, 40 percent of the respondents to the Schools and Staffing Survey said that they were expected to remain at school this long. It seems probable that self-reporting of work-day length has induced an upward bias in the public and private school comparison samples.

[11] These differences are statistically significant at the 5 percent level or better.

[12] The Schools and Staffing Survey permitted the following responses: 9 months, 9 1/2 months, 10 months, 11 months, and full year. In our survey of charter schools, we found fewer charter schools with a 10-month year, almost exactly offset by the number with a 10 1/2-month year.

[13] Charter schools are somewhat more likely to dismiss ineffective teachers outright than to "counsel" them out, an approach that appears to be more popular in traditional public schools.

[14] The survey asked how many teachers had been terminated since the school began operation. To express this on an annual basis, this number was divided by the number of years since the school had been established. The result was then divided by the number of full-time teachers working in Fall 1999. Changes in the size of the faculty over time mean that this ratio only approximates an annual dismissal rate. There may also be some upward bias to these figures if respondents included part-time teachers in this count.

[15] In 1997–98, the most recent year for which data are available, the average salary for beginning public school teachers in the United States was $25,735. Private school salaries have been about 60 percent of public school salaries.

[16] Ballou and Podgursky, 2001, p. 25.

[17] Approximately 20 percent of private schools used these incentives, according to the 1993–94 Schools and Staffing Survey. Teachers in the affected fields earned 8 percent more than other instructors with comparable education and experience. Ballou and Podgursky, 2001, p. 25.

[18] Ballou, 2001, p. 54.

[19] The recipient percentage was also low in private schools, but this average masks considerable heterogeneity. Private schools with a religious affiliation resemble traditional public schools; nonsectarian private schools are more like charter schools.

[20] Ballou, 2001, p. 56.

[21] About one-third of public schools in the comparison sample reported that they advance these teachers on the salary schedule, a device used by 60 percent of private schools. A large number of schools in both groups used unspecified "other" methods. The most commonly reported fields in which charter schools reported paying bonuses were math, science, and special education.

[22] The process is particularly cumbersome in Colorado, requiring two appeals to the state board.

[23] For categorical variables, p-values are calculated using Fisher's exact test. Comparisons of continuous variables are based on conventional t-tests, allowing variances to differ across cells.

[24] The test statistic is Kendall's coefficient of concordance (Gibbons, 1993). It is based on a ranking of the indicators in Tables 2 through 4. The higher ranking was given to personnel policies more like those of traditional public schools. For example, virtually all public schools use a salary schedule. Thus, charter schools that received their charter from a local school board were ranked ahead of other charter schools on this indicator, as 75 percent of the former but only 66 percent of the latter use salary schedules. For purposes of this analysis, we considered traditional public school policies to be the following: salary schedules followed; no criteria used to determine initial salary offers or salary growth except teacher education and experience; teachers work under multi-year contracts and are unionized; no methods used to evaluate teachers except classroom observation; lower percentages of teachers counseled out or dismissed than in either group of charter schools; smaller ratios of part-time to full-time teachers and full-time aides to full-time teachers than in either group of charter schools; shorter work day and work year than in either group of charter schools; certification required of teachers initially hired without it.

[25] Wells, 1998, p. 7.

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